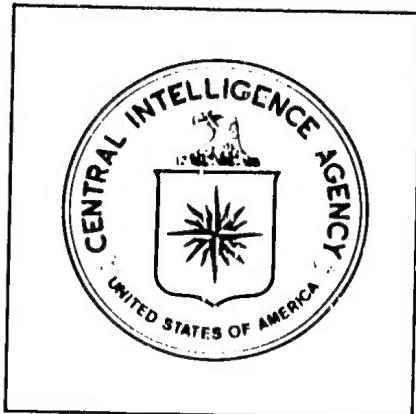


Approved For Release 25X1
2008/02/07 :
CIA-RDP86T00608R00040003

Approved For Release
2008/02/07 :
CIA-RDP86T00608R00040003

Secret



STAFF NOTES:

Middle East Africa South Asia

- State Dept. review completed

Secret

No. 0673/75
May 16, 1975

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MIDDLE EAST - AFRICA - SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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~~SECRET~~Israel.*Problems on the West Bank*

Inhabitants of the West Bank have been expressing more openly their long-standing hostility toward the Israeli occupation; at the same time a rise in the number of terrorist incidents in the territory has been noted.

The US consulate general in Jerusalem reports that a ceremonial gathering of West Bank notables on May 11 was made the occasion for anti-occupation speeches. The nine West Bank speakers, who ranged from appointees of King Husayn to supporters of the Palestine Liberation Organization, all sounded Palestinian nationalist themes and praised Greek Orthodox Archbishop Capucci, sentenced earlier this year to prison by the Israelis for aiding fedayeen terrorists. The consul general comments that the highly unusual political tone of the speeches was particularly surprising in light of the West Bank military government's well-known prohibition of such sentiments in public gatherings.

More open defiance of the Israelis has also been reflected in the upsurge this month of Arab terrorist activity on the West Bank and especially in Jerusalem. On May 10, terrorists burned an Israeli bus at noon in the center of the town of Ram Allah north of Jerusalem. This and other incidents have clearly been aimed at intimidating Arabs who work in Israel or otherwise are in contact with Israelis. West Bank notables reportedly have failed to report such incidents directed against their own property.

Tel Aviv has reacted by stepping up security measures on the West Bank and by rounding up suspected Arab terrorists and their collaborators. On May 13, the Israelis announced they had uncovered one of the largest terrorist networks on the West Bank in the final stage of its formation. More than forty members, mostly young people, are said to have been arrested.

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Some Israelis have retaliated more directly by taking matters into their own hands. A Jewish group calling itself "Terror Against Terror" claimed responsibility for setting an Arab bus ablaze in Jerusalem earlier this week. The week before, gangs of young Israelis apparently instigated fights with Arab youths in Jerusalem and defaced the Royal Jordanian crest above the tomb of King Husayn's great-grandfather. [redacted]

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SECRETSyria*Petroleum Developments*

Syria's oil production is recovering from the effects of the October 1973 war and is playing a key role in the country's economy. This year Syria will earn about \$575 million from oil, over half of all projected export receipts.

Port congestion and delays in repairing war-damaged petroleum facilities limited exports last year to 120,000 barrels a day. This year, production may rise to 190,000 barrels a day. There are also indications that estimates of Syria's reserves, though modest compared with those of its neighbors, will be raised, perhaps to four times the previous figure.

Syrian petroleum authorities are particularly interested in expanding output in two recently discovered fields at Jibse and Minze near the Iraqi border. The Jibse find is particularly encouraging because the oil is of higher quality than that found elsewhere in Syria. Although this crude will comprise only 4 percent of total Syrian output during 1975, it represents a first step toward higher average per barrel earnings.

Dissatisfaction with Romanian and Soviet oil equipment has led Syria to turn more to Western firms. In March, Damascus signed an agreement with a group of independent US oil companies for offshore exploration of Syria's Mediterranean coast. Other US companies are negotiating a production sharing agreement for exploration in central Syria.

The Asad regime has assured US investors that a resumption of hostilities would not have an adverse effect on their position. Nonetheless, most companies plan to limit their efforts at this time to seismic and other studies.

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United Arab Emirates*Small Steps Toward Unity*

The rulers of the seven member-states of the United Arab Emirates met twice in the past few weeks in the capital of Abu Dhabi to discuss steps to strengthen the still embryonic federation established three and a half years ago. The first meeting ended in a deadlock between proponents of a strong central government and advocates of states' rights. The second, on May 12, resulted in compromises that, on balance, represent an agreement in principle by the ruling sheikhs to some further centralization of powers. Actual progress in that direction, however, will depend on the extent to which the rulers' decisions are implemented.

Sheikh Zayid, president of the UAE and ruler of Abu Dhabi, the federation's leading member, has from the outset led the effort to persuade the member states to relinquish their authority to the central government. In the recent discussions, he finally got his fellow sheikhs to agree to unify their various military forces, which range in size from the 10,000-man Abu Dhabi Defense Force to Ras al-Khaima's 500-man Mobile Force. Arab military experts are to come up with recommendations within two months as to how this decision should be carried out. Heretofore Zayid's partners had refused to be stripped of their individual defensive shields for fear of being left completely at the mercy of Abu Dhabi and the 2000-man Union Defense Force, which Zayid also controls. How strong the sheikhs' commitment is to unifying their forces will be known when they are called upon to approve the recommendations of the Arab military experts.

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The federalists' efforts to obtain greater central control over other governmental functions yielded mixed results. The rulers agreed to confer authority to control immigration on the federal ministry of interior, but the various police departments will remain in the hands of the sheikhdoms. Although it was formally decided that all contacts with foreign governments should be through the federal ministry of foreign affairs, it is doubtful that individual rulers will be prevented from making "unofficial" visits abroad. In the important area of oil policy, states' rights advocates won a clear victory; the emirates continue to be free to make their own deals, being required only to inform the federal ministry of petroleum.

The chief obstacle to further centralization of authority continues to be the issue of revenue sharing. Abu Dhabi alone funds the national budget; Zayid apparently failed to persuade the other sheikhs to make even a token contribution. The major hold-out is the union's vice president, Sheikh Rashid of Dubai. Dubai's oil income makes it the only other member of the federation that could make a meaningful contribution to the federal treasury.

The sheikhs did authorize Zayid to form a preparatory committee to draft a permanent constitution that would come into effect in December 1976, the fifth anniversary of the union. Zayid's term as president of the federation runs out then. In the interim, Zayid can be expected to continue pressing his fellow rulers for more concessions.

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Kenya*Government Calls Off Election
of Labor Officials*

On May 14 the Kenyatta government abruptly canceled elections scheduled for May 17 for top offices of the 400,000-member Central Organization of Trade Union (COTU).

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[redacted] the decision to call off the elections was made by President Kenyatta personally to avert the defeat of James Karebe, the present deputy secretary general of COTU. Karebe, who is from Kenyatta's own southern branch of the Kikuyu tribe, is the President's choice to control the labor organization and his defeat would be a further blow to Kenyatta's already diminished prestige.

On May 1 Kenyatta averted a threatened general strike by acceding to labor demands for increased minimum wages. He may calculate that this concession, and new government warnings against strikes and demonstrations, will be sufficient to ward off an immediate anti-government reaction by unionists.

For the longer term, Kenyatta's action is likely to increase anti-government dissidence on the part of COTU members. The unions are rankled by other government efforts to control their national organization, by the no-strike edict in effect since last summer, and by a recent ban on labor and student political demonstrations.

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Senegal

Relations With Iran Bearing Fruit

Senegal is beginning to reap some important benefits from President Senghor's efforts over the past four years to cultivate economic relations with Iran. Tehran has agreed to participate directly in one of Senegal's top priority development projects and to underwrite portions of several other important projects. Senghor is trying not only to accelerate industrial development, but to diversify Senegal's sources of aid and investment funds to ease its traditionally heavy dependence on France.

Senegal and Iran recently formed a joint venture firm that plans to establish a port, an oil refinery, and a phosphate mining complex near Kayar. The \$250 million project is to be financed largely by Tehran. Upon completion, Iran will supply the refinery with three million tons of crude oil per year. Phosphate ore is to be shipped to Iran for processing.

Last year, Iran granted Senegal an \$8.5 million development loan, part of which is earmarked for an industrial park to be constructed near Dakar and for well and irrigation projects in central Senegal. The remainder will finance a portion of the Delta dam, one of two large dams Senegal is seeking to build on the Senegal river in partnership with Mauritania and Mali.

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